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TO RUEHC/SECSTATE WASHDC IMMEDIATE 7029
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 1670
RUEHBY/AMEMBASSY CANBERRA 0830
RUEHKA/AMEMBASSY DHAKA 4724
RUEHKT/AMEMBASSY KATHMANDU 0868
RUEHNE/AMEMBASSY NEW DELHI 4376
RUEHUL/AMEMBASSY SEOUL 7921
RUEHKO/AMEMBASSY TOKYO 5482
RUEHCN/AMCONSUL CHENGDU 1309
RUEHCHI/AMCONSUL CHIANG MAI 1329
RUEHCI/AMCONSUL KOLKATA 0176
RUEATRS/DEPT OF TREASURY WASHDC
RUEHGV/USMISSION GENEVA 3462
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 1270
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000035

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STATE FOR EAP/MLS; INR/EAP
STATE FOR OES - JMIOTKE AND ACOVINGTON
STATE FO EAP FOR JYAMAMOTO
STAET FOR EEB - TSEAGER
PACOM FOR FPA
TREASURY FOR OASIA:SCHUN
BANGKOK FOR REO, JWALLER

E.O. 12958: DECL: 01/16/2018

TAGS: EINV ECON ENRG PGOV EPET BM

SUBJECT: ENVIRONMENT NOT A PRIORITY FOR BURMESE REGIME

RANGOON 00000035 001.2 OF 003

Classified By: Economic Officer Samantha A. Carl-Yoder
for Reasons 1.4 (b and d)

11. (SBU) Summary. Despite having a wealth of plant and animal biodiversity and vast ecosystems, the Burmese Government does little to protect the country's natural resources. Investors, both domestic and foreign, continue to plunder Burma's raw materials, destroying much of the country's natural environment. The Burmese Government has yet to enact a comprehensive environment law. Investors, both foreign and domestic, are not required to conduct environmental impact assessments (EIAs) for development projects. NGOs highlight species loss, soil erosion, contamination of water and land, and deforestation as Burma's largest environmental challenges. Unfortunately, solid data about environmental degradation does not exist. End Summary.

No Comprehensive Law

12. (C) Burma has one of the world's most diverse ecosystems, ranging from mountainous regions with deciduous forests to tropical reefs, numerous various plant and animal species, and natural resources including oil and gas, nickel, gold, jade, and precious gems. Despite having these vast environmental riches, the Burmese Government does little to protect the environment, U Uga, Chairman of the Biodiversity and Nature Conservation Association (BANCA) told us. Burma has no comprehensive laws concerning environmental management. In 2000, the Burmese Government drafted the

National Environment Law, which established parameters for environmental protections and conservation in the wake of Burma's continuing development. Despite support for this law from NGOs and international organizations, the GOB has yet to approve and implement this law. U Uga, who helped write the document, noted that although the Cabinet is willing to implement the law, Senior General Than Shwe has yet to approve the final version.

¶3. (SBU) Until the law is approved, the Ministry of Foreign Affairs has authority over domestic environmental protection issues while the Cabinet handles international environmental matters (this is not a misprint!). In 1990, the GOB established the National Commission for Environmental Affairs (NCEA) to promote sustainable use of environmental resources in industry and economic activities. The NCEA established Burma's National Environment Policy in 1994, the GOB's current policy on environmental protection. According to environmental NGO officials, this document is too broad, lacking the specificity needed to promote economic development while at the same time protecting the environment. Because it is a policy rather than a law, it does not supersede pre-existing laws related to the environment, such as the fisheries and forestry laws -- laws that allow for the plundering of natural resources with little thought to the environment. Because the National Environment Policy has no real environmental guidelines or requirements, only a few investors implement environmentally sound programs, U Ohn of the Forest Resource Environment Development and Conservation Association (FREDA) told us.

¶4. (C) Burma is a signatory to several international environmental treaties, such as the Convention on Biological Diversity, the Framework Convention on Climate Change, the Convention on International Trade in Endangered Species of Wild Flora and Fauna, and the Vienna Convention for the

RANGOON 00000035 002.2 OF 003

Protection of the Ozone Layer, among others. The GOB signed these treaties to gain international recognition that they were protecting the environment, U Ohn asserted. Unfortunately, these agreements do not require the GOB to implement any specific programs. The Burmese government does as little possible to protect the environment, he concluded.

Who Needs Assessments?

¶5. (C) One of the most important omissions in the National Environment Policy is the requirement for environment impact assessments (EIAs). Currently, companies investing in Burma are expected to exercise their own due diligence and judgment when determining the environmental implications of projects. According to oil and gas industry experts, the Burmese Government sometimes includes requirements for environmental assessments in contracts with foreign investors, but does not apply this policy universally. Bruce Leach, Drilling Engineer with Daewoo, opined that even if the contract "required" an EIA, the government would not ensure that the company fulfilled its obligations. In actuality, each investing company determines the degree to which it will conduct an EIA; some companies meet international standards when conducting environmental due diligence. Others, he stated, do the bare minimum and refuse to release their findings to interested parties. U Uga echoes these sentiments, noting that many of the EIAs conducted by foreign companies, particularly Chinese mining and petroleum companies, were not comprehensive. Companies cut corners, he explained, and no mechanism exists to hold them accountable.

¶5. (C) U Uga also emphasized that few, if any, Burmese companies or state-owned enterprises conduct EIAs. Environmental and cultural assessments are very expensive, he noted, and often require a level of expertise not available in Burma. There are only a few organizations in Burma that could conduct this survey, he noted. His organization,

BANCA, which is one of the most competent environmental NGOs in Burma, does not conduct EIAs because the staff lack the necessary expertise. When a company approaches BANCA with an EIA request, U Uga refers them to environmental firms in Bangkok and Singapore, which are better equipped to meet international standards.

Environmental Problems Abound

¶6. (SBU) All of the NGOs we met with talked in broad terms about Burma's environmental plights, particularly overfishing (to be reported septel), the high rate of deforestation, loss of species of both plants and animals, soil erosion, and contamination of water and land. Unfortunately, while these problems are well-known and obvious to those who live and travel in Burma, NGOs and researchers have difficulty obtainig information about the extent of the environmental damage. For example, logging of trees is tightly controlled by the government; only regime officials know the true extent of deforestation in the country and they are unwilling to share this information. Although those living on the China-Burma border will freely describe how many large trucks filled with logs cross the border daily, no one knows exactly how many logs are sold, legally or illegally.

¶7. (SBU) More environmental studies must be conducted, Yuza Maw-Htoon of Mingalar Foundation declared. Local NGOs

RANGOON 00000035 003.2 OF 003

continue to build capacity to monitor environmental trends, but they need international assistance and expertise. She appealed to the United States and Europe for assistance, Qing that steps need to be taken soon before all of Burma's natural resources are lost.

Comment

¶8. (C) Despite Burma's poor investment climate and lack of rule of law, foreign investors remain interested in Burma's rich resources. The lack of environmental protections entices unscrupulous investors because they do not need to spend millions to protect the environment. Effectively, the regime is permitting investors to plunder Burma's rich resources so Than Shwe and his cronies can pocket the proceeds. The Burmese people will end up bearing the consequences of the environmental devastation, adding to the hardships they must already endure from military misrule.

VILLAROSA